

Questions for Mr. John Stumpf, Chairman and CEO, Wells Fargo & Co.  
Submitted by Senators Brown, Reed, Schumer, Menendez, Tester, Warner, Merkley, Warren,  
Heitkamp, Donnelly

**Timeframe and scope of wrongdoing at Wells Fargo**

1. As was requested of you at the hearing, what is the precise date in 2013 when you became aware of these issues in the Community Banking Division? How was this information conveyed to you, and by whom?
2. As was asked at the hearing, what is the precise date when the Board of Directors became aware? How was this information conveyed to the Board, and by whom? Please provide a list of the dates of the Board meetings when this matter was discussed, as well as which Board members were in attendance at these meetings.
3. At the hearing, you were asked whether any Board members or executives had fraudulent accounts opened in their names. Please provide any names and titles.
4. At the hearing, you stated that you did not learn of the systemic fraud occurring at Wells Fargo until late 2013, after interventions at lower levels of the company had failed to stem the creation of fraudulent accounts. Please provide a detailed timeline, from 2007 to 2015, of when different segments of Wells Fargo learned that employees were creating fraudulent accounts and what actions those segments took address the problem, including which Wells Fargo employees (such as senior executives) and federal and state regulators they informed of the problem.
5. Does Wells Fargo have any information indicating that company employees created bank accounts or credit card accounts without customer consent prior to 2009? If so, how did the company obtain this information? When was the first reported case, and how many cases that occurred prior to 2009 have been discovered? Have you reported those cases to federal financial regulators?
6. At the hearing, Wells Fargo announced that it would expand its “remediation review” to bank accounts and credit card accounts created in 2009 and 2010.<sup>1</sup> As was asked at the hearing, we have received reports of company employees creating false accounts before 2009, why have you limited your remediation review to 2009-2015? What steps will Wells Fargo take to ensure that customers with fraudulent accounts created before 2009 are compensated?
7. As was asked at the hearing, are you confident that this type of fraudulent activity does not exist in other Wells business lines? Have you discovered other types of misconduct involving other products aside from credit cards or basic banking (such as

---

<sup>1</sup> Wells Fargo, “Wells Fargo Chairman and CEO John Stumpf Outlines a Series of New Actions to Strengthen Culture and Rebuild Trust of Customers and Team Members at Senate Banking Committee Hearing (press release)” (September 20, 2016) (online at [https://www.wellsfargo.com/about/press/2016/new-actions-strengthen-culture\\_0920.content](https://www.wellsfargo.com/about/press/2016/new-actions-strengthen-culture_0920.content)).

- misconduct related to applications for mortgages or personal or other loans, or lines of credit, insurance, or other investment areas)? If so, how did the company obtain this information? When was the first reported case, how many cases have been discovered, and what is the nature of these cases? Have you reported those cases to federal financial regulators?
8. Have you discovered misconduct relating to additional criminal or other misbehavior with the false accounts (such as bank employees using improperly created credit cards accounts for illegal purchases)? If so, how did the company obtain this information? When was the first reported case, how many cases have been discovered, and what is the nature of these cases? Have you reported those cases to federal financial regulators?
  9. At the hearing you indicated that you met with Ms. Tolstedt weekly, but you did not answer how often you talked with her. How often did you have conversations with Ms. Tolstedt? At any point in your regular conversations or meetings did she raise concerns with you about the firms' cross-selling focus, sales goals, firings related to unauthorized accounts, or other related matters? When did she first raise these concerns with you?
  10. You testified that it was in 2013 that the discussion with Ms. Tolstedt on this topic made an impression upon you. Does this mean that she raised this with you earlier and it did not make an impression? Please explain.
  11. Did you ask Ms. Tolstedt when she first learned about this wrongdoing? If so, when did you ask her? If you asked her, what information did Ms. Tolstedt provide to you when you asked? Did you ever ask her why she waited so long before bringing this to the attention of other members of senior management? What did she say?
  12. Please provide the committee with all communication between you and Ms. Tolstedt on this topic for which a record exists from 2007 forward. By way of illustration, this should include communication regarding gaming, pinning, bundling, simulated funding, employee terminations, internal complaints, lawsuits, etc.
  13. As was requested in the hearing, please provide a timeline of Wells' first contact, and subsequent interactions, with the CFPB, OCC, and Los Angeles City Attorney's office. Please provide copies of the documents Wells Fargo produced to the CFPB, OCC, the Los Angeles prosecutor, and PWC in connection with this matter.
  14. Please provide the committee with all reports prepared internally or by third parties to evaluate policies and practices that led to these activities, the extent of these activities, as well as any reports to understand and address customer harm, including the PwC, Accenture and Skadden studies.
  15. Please provide the committee with all minutes and all materials related to these activities (including, but not limited to any report prepared by the investigations,

- compliance, bank secrecy /anti-money laundering, audit or human resources functions) provided to members of the Compensation, Risk, and Audit and Exam Committees, as well as the full board, for all meetings for the period 2007 to the present.
16. Please provide the committee with any communication that the Board of Directors, any committee of the Board or any individual Board member had with any government enforcement agency, any institution personnel or other Board member, regarding any matter relating to the activities.
  17. Please identify the positions held by the personnel in the corporate General Counsel's office and other senior management offices that are involved with complaints by employees, former employees and customers that are filed in court and are subject to negotiation or arbitration and that allege or refer to the activities associated with the misuse of customer personal information or the opening of unauthorized accounts as well as any other practices used to further those activities, including but not limited to sales incentives and those practices described as pinning, sandbagging, bundling, gaming, or like actions.
  18. Please describe the role and level of involvement that such personnel (and the General Counsel's office and other senior management offices to which they belong) have in monitoring, hiring outside counsel, directing, negotiating or the decision making in those matters, and how such matters are reported up to the General Counsel, senior management and Board members.
  19. When asked whether you have referred any of your personnel to law enforcement between when you learned about this issue until the present, you said that you did when it was required. Can you please specify the number of employees that you have referred, their names and titles, the agencies to which they have been referred, and the violations for which they were referred?
  20. Please provide the number of Suspicious Activity Reports (SARs) related to these activities that were filed for each year from 2007 to the present.
  21. As was requested at that hearing, when did you begin to disclose in SEC filings that you had this potentially material adverse set of circumstances that could damage your reputational value?

### **Employees**

22. Please provide the Committee with information on the following items for each year from 2007 to the present for the Community Banking Group and all of Wells Fargo, broken out by position (e.g. tellers, bankers, branch managers, district managers, regional managers, and senior management):
  - a. the number of employees terminated for engaging in, encouraging or tolerating such activities;

- b. the number of employees who were terminated because they did not meet sales quotas;
  - c. the number of employees who resigned or retired or were asked or instructed to resign or retire for engaging in, encouraging or tolerating such activities;
  - d. the number of employees who were subject to internal disciplinary measures for engaging in, encouraging or tolerating such activities;
  - e. the median pay by position.
23. Please provide the committee with any documentation related to sales quality metrics used by compliance, marketing, or any other unit within the Community Banking Division to evaluate employees' performance. Please provide documentation of how these metrics changed between 2007 and the present.
24. Please also provide copies of written policies or procedures that outline how Wells Fargo disciplined employees that did not meet their sales quotas from 2007-2015. Finally, please provide your plans for making these employees whole.
25. Please provide the states and zip codes of the Wells Fargo branches where each of the 5,300 employees were terminated.
26. What was Wells Fargo's policy on the employees who reported concerns to their managers, human resources division or used the hotline and were fired? Please share with the Banking Committee any internal memos, or pertinent exchanges, outlining the strategy for firing employees who raised concerns.
27. At the hearing, you indicated that employee ethics complaints were handled by an outside firm and to resolve an issue an employee would not be confronted by his or her supervisor. Please provide a detailed description of the ethics complaint process in 2007, and any subsequent changes to it.
28. During your testimony, you consistently cited your participation in "Town Hall" style meetings to explain how you communicated to employees that they should not, under any circumstances, create false accounts for customers in order to meet sales quotas. Please provide transcripts from all Town Hall-style meetings that you participated in from 2011 to 2015. Please demarcate all areas of those transcripts in which you clearly state that employees should not be defrauding customers.
29. Were fraudulent accounts created in one branch location from the account information of customers of another branch? Did employees establish accounts or claim to sell additional products to customers in another state?
30. Did employees establish accounts or claim to sell additional products for minor children?

31. During your testimony, you denied that the Wells Fargo incentive structure was responsible for the widespread fraudulent activity at your bank. Further, you and your colleagues at the bank have stated that the 5,300 fired employees acted without guidance from management and were rogue employees. In comparison, little has been reported on the bonuses or incentive structures for regional and branch managers. What bonuses did Wells Fargo pay to regional and branch managers for successful (either meeting or exceeding their sales quotas) cross-selling numbers?

### **Consumer Harm**

32. Please provide a state-by-state list of the number Wells Fargo customers that you have determined may have been harmed by this misconduct.
33. As requested at the hearing, please provide the proportion of customers who were harmed by Wells' misconduct who are: elderly, racial/ethnic minorities, and military/veterans.
34. Please provide the number of customers identified by the PwC study as having had a fraudulent account opened by age cohort: 0-17; 18-30, 31-40, 41-50, 51-60, 61-70, 71-80, 81-90, 91+
35. Please provide the committee with a list of the written policies for 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, and 2015 that Wells Fargo provided to consumers upon their opening of a bank account or credit card account that explain the fees associated with those accounts.
36. Will Wells Fargo be providing any non-monetary compensation (such as free credit reporting, ID protection, or discounted or free Wells Fargo services) to customers? Please explain.
37. Does Wells Fargo have a policy for assisting customers who had their identification stolen and faced significant costs due to actions taken by Wells Fargo employees? Please explain.
38. You indicated at the hearing that you would consult with your team as to any data limitations that would prevent you from identifying customers harmed earlier than 2009. What are the results of those conversations? How far back can Wells Fargo conduct an examination similar to the one conducted by PwC?
39. As requested during the hearing, please provide specific information related to overdraft protection products, including sales goals related to overdraft, the number of consumers who overdrew their accounts, the number of overdraft protection products sold without customer knowledge, and dollar amount of overdraft fees charged to consumers related to this episode.

40. During the hearing you were asked how Wells Fargo's cross selling and sales targets compare to its competitors. Please provide your understanding of this answer.

### **Restoring the Credit Scores of Wells Fargo Customers**

41. Has Wells Fargo contacted and instructed Transunion, Equifax and Experian, and any other credit bureaus, to determine and remediate any possible harm resulting from the opening of, and activity on, unauthorized credit cards? Please provide the date(s) of any outreach by Wells Fargo to these bureaus, the instructions and information provided to the bureaus, and the proposed remediation for those customers who may have suffered harm.
42. Your credit restoration plan provides Wells Fargo with the opportunity to push new products onto customers, urge them to hold on to credit cards they may or may not have wanted, and gather additional information from customers unrelated to closing fraudulent accounts—opportunities that benefit Wells Fargo, not affected customers. Please provide a copy of the scripts that your company will use to contact affected customers, highlighting any instance in which Wells Fargo attempts to convince customers to purchase new products or retain (potentially unwanted) accounts.
43. Senator Tester asked you how you planned to identify and provide restitution to customers whose credit ratings were negatively impacted because of Wells Fargo employees' actions against its customers, including but not limited to transactions with other financial institutions. You stated that you would call each of Wells' credit card customers to identify any who have been harmed and "have [y]our team come back and report to you how we're working on it." Please provide a detailed explanation of how Wells Fargo plans to identify and provide remediation to these customers, and to other customers who may not have had credit cards, but whose credit may have been harmed due to other products.
44. How will you confirm that inaccurate information on your customers' credit files has been removed? It's one thing to say they're removing the inaccurate info, it's another to ensure the bureaus go ahead and actually remove it.

### **Senior Executive Compensation**

45. Please provide any Board or Compensation Committee minutes describing (1) discussion of the pending Wells Fargo settlement and any impact it had on Ms. Tolstedt's decision to retire, (2) discussion of termination or any other penalty for Ms. Tolstedt in relation to her role in the Wells Fargo actions that resulted in the CFPB settlement; (3) the impact of Ms. Tolstedt's decision to retire on her final compensation.
46. Fortune magazine reported that the decision to allow Ms. Tolstedt to retire rather than terminating her resulted in her retaining an extra \$45 million in compensation. Is this report accurate? If not, which portions are incorrect? How much did Ms. Tolstedt

earn or retain as compensation because of her retirement that she would not have been allowed to earn or retain if she had been terminated?

47. What are the criteria that the Board will use to determine all elements of Ms. Tolstedt's 2016 compensation?
48. You stated at the hearing that you are "not an expert in compensation" and that you do not sit on the Wells Fargo Board's compensation committee. To help us better understand your role, as Chairman of the Board, in contributing to compensation decisions, please provide a description of the process by which your board makes decisions related to compensation and supply any written policies or guidance on the role of board members and Chairman on these matters. Specifically, please comment on Wells Fargo's most recent proxy statement which states on page 51 that part of Ms. Tolstedt's incentive compensation award was determined based on your assessment of her 2015 performance.
49. A recent CNNMoney report indicated that you received millions of dollars in compensation for increasing the number of "primary consumer, small business, and banking checking consumers" and for "reinforcing a culture of risk management and accountability at the company."<sup>2</sup> Please provide details on all bonuses or incentive pay that you have received, based on performance related to "cross-selling," increasing the number of consumers or consumer accounts. For each year, provide the total value of all such incentives received, and the criteria that qualified you for such incentives.
50. Please describe your full compensation package and benefits plan, including base salary, incentive compensation, and any retirement benefits such as a 10b5-1 plan, including the dollar values of such packages and benefits.
51. As was requested of you at the hearing, please provide information on all senior executives at Wells Fargo who suffered any financial consequence as a result of the practices at issue here.

### **Forced Arbitration and Secret Settlements**

52. Please provide a copy of the current basic customer agreement and any other customer agreements that have been in place since 2007 for Wells Fargo customers that open credit cards or bank accounts.
53. Between 2007 and September 2016, how many customer complaints related to the allegations in the CFPB settlement were settled via the arbitration process? (i.e., how many total cases were heard?) In how many cases did the arbitrator rule for the customer and in how many did the arbitrator rule for Wells Fargo?

---

<sup>2</sup> <http://money.cnn.com/2016/09/22/investing/wells-fargo-ceo-john-stumpf-200-million/index.html?iid=hp-stack-dom>

54. In cases where the arbitrator ruled for the customer, what remediation was made to customers? What was the average settlement amount?
55. In cases where customers took cases to arbitration, did secrecy clauses prevent them from making any information about their grievances public?
56. Did Wells Fargo disclose to investors or the public any cases where arbitrators ruled in favor of customers in these cases? How and when did the company do so?
57. Between 2007 and 2016, did Wells Fargo settle any cases related to the allegations in this settlement outside the arbitration system? If so, how many cases were settled in this fashion? Please explain.
58. As was requested at the hearing, will Wells Fargo commit to permitting customers bringing disputes related to these actions to bring their claims in court, rather than forcing them into arbitration?